

For Immediate Release: Wednesday, March 11, 2009

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Chairman Towns Demands Information and Records from Merrill Lynch and Bank of America on Timing of Decision to Award Executive Bonuses

Washington, D.C. – U.S. Representative Edolphus “Ed” Towns (D-NY), Chairman of the Committee on Oversight and Government Reform, today sent letters to Bank of America CEO Kenneth Lewis and Mr. Raymond Calamaro of Hogan & Hartson, outside counsel to Merrill Lynch, demanding information and records on their 2008 bonus decisions. The Committee is investigating whether there was in fact a cover up Merrill Lynch bonus decisions and whether the Committee was intentionally misled.

In the letters, Chairman Towns is requesting documents and other information to determine whether Merrill Lynch or its outside lawyers covered up the fact that Merrill’s compensation committee had made their bonus decisions early in November 2008. Central to the letters is whether Merrill Lynch misled the Committee on November 24, 2008, when a Merrill Lynch lawyer told the Committee that bonus decisions for 2008 had not yet been made. The Committee later obtained evidence indicating that bonus decisions were in fact made two weeks earlier. The Committee will also be conducting formal interviews of witnesses involved in the alleged bonus cover-up, including Mr. Calamaro of Hogan & Hartson, and executives from Merrill Lynch and Bank of America.

Last week, New York State Attorney General Andrew Cuomo alleged that Merrill Lynch provided misleading information to Congress regarding bonuses for its top executives. The

filings raise the possibility that Merrill Lynch executives may have obstructed the Committee's investigation into executive compensation practices and the awarding of bonuses at the company. Chairman Towns directed Committee investigators to begin a detailed investigation of this allegation and get to the bottom of the matter.

"We will not hesitate to exercise every means at our disposal to protect the integrity of the Congressional investigation process and to bring real transparency to the use of TARP funds. Under my direction, the Committee will get to the bottom of this matter and determine whether or not there was an obstruction of this Committee's investigation," Chairman Towns said.

The Committee is currently pursuing an ongoing investigation into allegations that billions of dollars of TARP funds invested in nine major banks may have been used to pay executive bonuses and other compensation. Committee attorneys are also reviewing the responses of other major financial institutions to the Committee's October 2008 letters regarding executive compensation and the use of TARP funds.

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Documents and Links

- [Letter to Mr. Raymond Calamaro](#)
- [Letter to Bank of America CEO Mr. Kenneth Lewis](#)